

ABSTRACT OF THE DISCLOSURE

A system and method for providing backstop liquidity for an extendable commercial paper issue used to finance asset-backed securitization transactions through an up-front commitment from a highly rated entity to purchase fixed-income securities. A conduit that issues extendable commercial paper backed by a plurality of asset securitization transactions obtains a triple-A rated guaranty for each of the plurality of asset-backed securitization transactions and secures an up-front commitment from a highly rated backstop provider to purchase fixed-income securities to be issued in the future by such conduit (or an affiliated conduit) to retire such conduit's outstanding extendable commercial paper in the event that the conduit is unable to retire such commercial paper before the end of its extension period. The extendable commercial paper includes secured liquidity notes (SLNs) and the fixed-income securities include asset-backed medium-term notes (MTNs).

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